

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 Capitol Mall, 17th Floor
Sacramento, California 95814**

FINAL STATEMENT OF REASONS

Date: January 11, 2010

REG-2007-00007

ONLINE PRELICENSING & CONTINUING EDUCATION

UPDATED INFORMATIVE DIGEST

The information contained in the Informative Digest in the Notice is incorporated by reference and remains accurate.

UPDATE OF INFORMATION CONTAINED IN THE INITIAL STATEMENT OF REASONS

A Notice of Proposed Action dated January 26, 2009 was published in the February 6, 2009 Notice Register. The public comment period was scheduled from February 6, 2009 through March 23, 2009. However, the mailing of the Notice was delayed thereby necessitating the rescheduling of the public hearing to allow for the required 45 day public comment period. An Addendum to Notice of Public Hearing was mailed on February 17, 2009 setting a new Public Hearing for April 7, 2009 and extending the public comment period until April 7, 2009. The public hearing was held on April 7, 2009. Four members of the public testified at the hearing and six members of the public submitted written comments.

Based on the comments received, a Notice of Modifications to Text of Proposed Regulations and Text of Modified Regulations was mailed on July 29, 2009 to those individuals attending the public hearing and all others who so requested providing a 15-day public comment period from July 30, 2009 through August 14, 2009. Written comments were received from four members of the public.

Based on the comments received, the text of the proposed regulations was modified again. A Notice of Additional Modification to Text of Proposed Regulations and Text of Second Modified Regulations was mailed to those individuals submitting written comments during the comment period. A second 15-day public comment period from September 1, 2009 through September 16, 2009 was provided. Written comments were received from two member of the public. Based on the comments received the text of the proposed regulations was modified for a third time and the final text of the proposed regulations was adopted.

The Initial Statement of Reasons details the originally proposed changes to the text of the regulations. The following sections of the text of the proposed regulations have been further modified based on additional public comments received from the public hearing, the first 15-day public comment period and the second 15-day public comment period.

SECTION 2186.1 Definitions

Based on a public hearing comment, the words “subject matter expert” has been added throughout these regulations wherever the word “instructor” is found. This is necessary to clarify that individuals who are not technically “instructors” due to the nature of the course presented (such as a non-classroom course), shall nevertheless meet all of the requirements for instructors as stated in these regulations.

Subsection (e)(1)(A) and subsection (j) have been amended. “Subject matter expert” has also been added to the word “instructor” in sections 2188.1, 2188.2(p), 2188.2.5(a)(5)(E), 2188.4, 2188.5(d), 2188.8, and section 2188.50 forms (a), (e), (f), and (h).

Subsection 2186.1(i) was amended based on a public hearing comment to add a definition of “Experience” to provide clarity and include examples of the type of work that shall qualify an instructor to teach an education course. It distinguishes the requirements for contact versus non-contact courses and provides the specific additional requirements for online prelicensing courses. This definition is necessary to ensure that students of non-contact courses have a qualified person available to respond to their course questions.

Subsection 2186.1(j) was amended to clarify and specifically define the requirements for an instructor/subject matter expert of an online preclicensing course to respond to student questions. This will ensure that students receive effective support. The intent of the preclicensing course is to prepare the student to not only pass the insurance license exam, but also to instill conceptual knowledge and a sense of ethics in future insurance agents/brokers for the protection of insurance consumers. This subsection was further amended to clarify the role of provider staff in responding to student questions.

Non-substantive changes have also been made to the regulation text of §2186.1. As indicated in the Text of Modified Regulations, subsections 2186.1(e)(1)(A)&(B) were amended to correct sentence syntax; subsection 2186.1(e)(3) was amended to correct syntax of the sentence to conform format to other subsections; and, subsections (i), (j), (k), (l), (m), and (n) were amended to change the lettering to follow alphabetically.

Additionally, the following non-substantive changes were not indicated in the Text of Modified or Second Modified Regulations:

- Section 2186.1 (c)(2) was amended to correct a previous change that deleted the words “continuing” and “only”. This change resulted in ambiguity as to whether this definition applied to both continuing and preclicensing education courses or just one or the other. Since all courses (both continuing and preclicensing) are in fact “education” courses, the words “continuing” and “only” were replaced in the definition to clarify that this definition eliminated the possibility that this definition could apply to any courses other than continuing education courses.
- Section 2186.1(e)(2)(A) was amended to correct a grammatical error-delete period, add semi-colon.
- Section 2186.1(i) was amended to correct syntax-delete “means including”--add “includes”.
- Section 2186.1(m) was amended correct typographical error: the number “1” was omitted from a code section. Members of the affected public would be aware that this was an error because first, the code section as stated, 749.33, does not exist and second, all code sections referenced begin with “1”.
- Section 2186.1 Reference changed to add a citation to a code section.

SECTION 2187-2187.7: Preclicensing Education

Non-substantive changes were made to the regulation text. As indicated in the Text of Modified Regulations, each license type section has been re-numbered in a more logical sequence which will facilitate ease of use by the affected public. Re-organizing the order in which the license types are found will provide an easier and more logical access for both students and education providers of the affected public.

SECTION 2187 Preclicensing Education for Life-Only Agents

Non-substantive changes were made to the regulation text. As indicated in the Text of Modified Regulations, the word “exam” has been added to the parenthetical phrase, “X percent of ____ questions) throughout this section. This will provide clarity and specificity regarding the type of questions to which the percentages apply. Subsection IV has been deleted as unnecessary and duplicative.

Additionally, the following non-substantive change was not indicated in the Text of Modified or Second Modified Regulations: Unnecessary spaces were deleted from subsection II.D.

SECTION 2187.1 Preclicensing Education for Accident and Health Insurance Agents

To provide specificity regarding the type of questions to which the percentages apply, the word “exam” has been added to the parenthetical phrase, “X percent of ____ questions) throughout this section. This will provide clarity regarding the type of questions to which the percentage relates. Subsection III has been amended to add the word “Insurance” to the heading for clarity. Subsection IV has been amended based on public hearing comments to conform the subsections to the amended Educational Objectives as developed by the Curriculum Board. Subsection V has been deleted as unnecessary and duplicative.

The following non-substantive change was not indicated in the Text of Modified or Second Modified Regulations: The word “Insurance” is added to the title of this section and the title in subsection (b) to conform it to the statutory title. Subsection IV.E. has been amended to correct the name of the organization. The word “and” is placed between the words “Counseling” and “Advocacy”.

SECTION 2187.2: Prelicensing Education Requirements for the Life Agent Examination (Life-Only and Accident and Health)

Subsection (a) is amended to delete the outline for the curriculum and insert a reference to the relevant educational objectives (§2187 and §2187.1). This section is also amended to conform to the statutory change that divided the “Life Agent” license into two separate exams and curriculum. Subsection (b) is amended to conform to the new license categories and curriculum as provided in sections 2187 and 2187.1.

The following non-substantive change was not indicated in the Text of Modified or Second Modified Regulations: The word “Insurance” is added to the license title for “Accident and Health Agent”.

SECTION 2187.3: Prelicensing Education for Fire and Casualty Broker-Agents

The outline of the curriculum for this license type is amended to conform to the educational objectives developed by the Curriculum Board per public hearing comment. In addition, the outline has been amended and reorganized for clarity and specificity of the topics to be covered in the class. The percentage of exam questions to be asked for each subsection has been added for specificity and clarity for education providers and students. Based on public comments from the first modified comment period, the “Dwelling” section has been revised to more accurately reflect the coverage offered. Subsection VI has been deleted as unnecessary and duplicative.

The following non-substantive change was not indicated in the Text of Modified or Second Modified Regulations: Subsection VI.E. has been amended to correct the name of the organization. The word “and” is placed between the words “Counseling” and “Advocacy”.

SECTION 2187.4: Prelicensing Education for Personal Lines Broker-Agent

The outline of the curriculum for this license type is amended to conform to statutory changes and the revised educational objectives developed by the Curriculum Board per public hearing comment. In addition, the outline has been amended and reorganized for clarity and specificity of the topics to be covered in the class. Based on public comments to the Text of Modified Regulations, the “Dwelling” section has been revised to more accurately reflect the coverage offered. This section is amended to include the percentage of exam questions that shall be based on this subsection of the curriculum to provide education providers additional specificity. A public comment to the Text of Second Modified Regulations requested the “FAIR Plan” not be deleted from the text. “FAIR Plan” was not deleted; rather it was moved to another portion of the outline. Subsection IV was added to include new statutory curriculum requirements. A public comment to the Text of Second Modified Regulations requested the “FAIR Plan” not be deleted from the text. “FAIR Plan” was not deleted; rather it was moved to another portion of the outline.

The following non-substantive change was made to the text of §2187.4:

Based on public comment received and as indicated in the Text of Modified Regulations, the percentage for exam questions in subsection IV was corrected; a typo set the percent at 12% when it should have been 2%.

SECTION 2187.5: Prelicensing Education for Personal Lines Licensees to Become Fire and Casualty Broker-Agents.

The outline of the curriculum for this license type is amended to conform to statutory changes and the revised educational objectives developed by the Curriculum Board per public hearing comment. In addition, the outline has been amended and re-organized for clarity and specificity of the topics to be covered in the class. The word “Curriculum” in the title of the section has been deleted and replaced with the word “Education” to conform this heading to other headings in the text. This section is amended to include the percentage of exam questions that shall be based on this subsection of the curriculum to provide education providers additional specificity.

The following non-substantive change was not indicated in the Text of Modified or Second Modified Regulations: Subsection II.E. has been amended to correct the name of the organization. The word “and” is placed between the words “Counseling” and “Advocacy”.

SECTION 2187.6: Prelicensing Education for Limited Lines Automobile Insurance Agent

The outline of the curriculum for this license type is amended and reorganized to conform to statutory changes and

the revised educational objectives developed by the Curriculum Board per public hearing comment. In addition, the outline has been amended for clarity and specificity of the topics to be covered in the class. To provide specificity regarding the type of questions to which the percentages apply, the word “exam” has been added to the parenthetical phrase, “X percent of ____ questions) throughout this section. This will provide clarity regarding the type of questions to which the percentage relates. Subsection (b) is amended to specify the type of license to which it applies.

SECTION 2187.7: Prelicensing Education on Ethics and the California Insurance Code

With the signing of AB 2387 and the launch of online prelicensing courses, the Curriculum Board revised the curriculum to include only the “general” items that apply to all license types that are mandated to complete the 12 hours of required prelicensing education. As a result, subsections II. Property and Liability, III. Life Insurance, IV. Health & Disability Income Insurance, and VI. New Developments were deleted. Subsection (b) was amended to specify the type of license to which it applies.

SECTION 2188.1: Instructor/Subject Matter Expert Qualifications

Based on public hearing comments, the words “subject matter expert” has been added to the title of the section and throughout this section wherever the word “instructor” is found. This is necessary to clarify that individuals who are not technically “instructors” due to the nature of the course presented (such as a non-classroom course), shall nevertheless meet all of the requirements for instructors as stated in these regulations.

Subsections (3) and (4) are amended per public hearing comments to change the response time for provider staff to respond to student questions, to address the response time required for questions asked on the weekends and change the manner in which staff may respond to student questions to include email. These changes will assist on-line students whose schedules often include work time and course study on weekends and evenings when traditional instructors are not available. The changes will ensure that these students will receive effective support. These subsections are also amended to clarify the education provider staff who may respond to non-content questions from online students.

SECTION 2188.2: Course Approval

Subsection (f) is amended per public hearing comment to clarify the meaning of “minor change” including clarification regarding spelling or grammatical changes. An amendment was also made to clarify that minor changes must be submitted to “the Department”.

Subsection (i) is amended per public comments to the Text of Modified Regulations to correct the number of required minutes per day of instruction. This was inadvertently changed from 480 to 400.

The following non-substantive change was not indicated in either the Text of Modified Regulations or the Text of Second Modified Regulations: Two statutory code references were added to the Reference section of the Note.

SECTION 2188.2.5: Online Prelicensing Course Approval

Based on public hearing comments, the word “chapter” is added wherever the word “section” appears. This will ensure that education providers and students know that “chapters” will be treated in the same manner as “sections” throughout the regulations.

Subsection (a)(5)(E) is amended per public hearing comments to change the response time for provider staff to respond to student questions, to address the response time required for questions asked on the weekends and change the manner in which staff may respond to student questions to include email. This subsection was also amended to clarify the type of provider staff who may respond to technical questions from students. These changes will assist on-line students whose schedules often include work time and course study on weekends and evenings when traditional instructors are not available. The changes will ensure that these students will receive effective support.

Subsection (b) was amended per public hearing comment to add the word “review” before “Question Total” to clarify for students, instructors/subject matter experts, and providers that the number of questions listed is for “Review” questions only. Subsection (b)(2) was deleted because it was no longer accurate due to the statutory change in license categories. This necessitated the revising of the numbers for the subsequent subsections.

SECTION 2188.3: Course Approval

Based on public comments received to the Text of Modified Regulations, the requirement to include a hard copy of all materials for the course has been amended and the majority of this subsection deleted. The material has already been submitted with the original course application and if a material change is made to the course, the regulations require a process to be followed. The requirement to include a statement about source books and exams has also been deleted as duplicative of other text requirements and therefore unnecessary.

The following non-substantive change was not indicated in the Text of Modified or Second Modified Regulations: The Reference section has been amended to include additional relevant statutory citations.

SECTION 2188.4: Maintenance of Records

Based on a public hearing comment, the word “subject matter expert” has been added to subsection (a) wherever the word “instructor” is found. This is necessary to clarify that individuals who are not technically “instructors” due to the nature of the course presented (such as a non-classroom course), shall nevertheless meet all of the requirements for instructors as stated in these regulations.

Subsection (b) is amended to clarify that complete social security numbers shall be maintained by providers to ensure accurate identity authentication since prelicensing students do not have an insurance license number to serve as additional identity authentication in instances of similar names. This section is also amended based on public hearing comments to allow online prelicensing providers to maintain student affidavits either electronically or in paper. Finally, this subsection is amended to indicate that the protection of student personally identifying information is required.

The following non-substantive changes were not indicated in the Text of Modified or Second Modified Regulations: The statutory reference to subsections “(a) through (e)” of Insurance Code section 1749.4 in subsection (d) has been deleted because it is inconsistent with and superseded by a statutory change that added additional subsections. The Reference section has been amended to include additional relevant statutory citations.

SECTION 2188.5: Successful Completion of Prelicensing Courses

Subsection (b) is amended per comments to the Text of Modified and Second Modified Regulations to include a statement about the importance of protecting student non-public personal information. In addition, the requirement to collect student personal information (including social security number) on a single form, as proposed by a commentator and added earlier in the regulatory process, has been deleted based on further public comments to the Text of Modified Regulations. To secure the student’s identity, the attendance record is to be complete only by the student and is to be given to the instructor for course completion recording purposes. This will ensure that the student’s identity is not seen by other students in the classroom.

Further, based on public comments from several individuals to the Text of Modified Regulations, subsection (b)(1) is amended to require only the last four digits of a student’s social security number or an insurance license number for identification purposes. Since the entire social security number will be maintained for prelicensing students as part of the provider documentation, the collection of identifying information on the daily attendance records does not require the full number.

The last sentence of subsection (c) is deleted due to a conflict with subsections 2188.2.5(a), 2188.5(a), and, 2188.5.5(a)(1) and (2). Subsection (d) is amended to add “subject matter expert” to the word “instructor” as defined in prior sections.

The following non-substantive changes were not indicated in the Text of Modified or Second Modified Regulations: Subsection (c) has been amended to change the statutory reference to the subsection for Insurance Code section 1749.4 from (f) to (n) because the existing subsection is inconsistent with and superseded by a change in statute. The Reference section has been amended to delete one statutory citation that is no longer relevant.

SECTION 2188.5.5: Successful Completion of Online Prelicensing Courses

Based on public hearing comments, subsection (b) has been amended to delete subsection (2) as it is duplicative of subsection (1). Subsection (3) is therefore renumbered to (2).

SECTION 2188.8: Certificates of Completion

Based on public comments to the Text of Modified and Second Modified Regulations, subsection (a) is amended to clarify the standard practice that permits education providers to issue certificates of completion to the student electronically without a student request.

Based on public hearing comments, subsection (a)(1) is amended to permit an electronic student signature to be included on the Certificate of Completion. Since the student can now successfully complete an “online prelicensing course” without contact with the Education Provider (unless the student has a question and contacts the provider), it is appropriate that the certificate of completion and the student’s signature be available electronically as well. Both the Education Provider and student will benefit if the certificate is delivered electronically as it would eliminate any delays and costs of shipment of the certificate.

Based on public hearing comments, the words “subject matter expert” have been added to the word “instructor” in subsections (a)(1) and (b)(2). This is necessary to clarify that individuals who are not technically “instructors” due to the nature of the course presented (such as a non-classroom course), shall nevertheless meet all of the requirements for instructors as stated in these regulations.

The following non-substantive change was made to the text of §2188.8:

As indicated in the Text of Modified Regulations, the word “electronically” has been placed after the word “issued” for clarity.

The following non-substantive change was not indicated in the Text of Modified or Second Modified Regulations: Subsection (a)(7) has been amended to delete a typo of two asterisks “**” in the text after the word “shall”.

SECTION 2188.50: Forms

Based on public hearing comments, the words “subject matter expert” has been added throughout the Forms wherever the word “instructor” is found. This is necessary to clarify that individuals who are not technically “instructors” due to the nature of the course presented (such as a non-classroom course), shall nevertheless meet all of the requirements for instructors as stated in these regulations. “Subject matter expert” has been added to the word “instructor” in Form (a) LIC 446-2; Form (e) LIC 446-5; Form (f) LIC 446-12; and, Form (h) LIC 446-4.

As indicated in the Text of Second Modified Regulations, the amount of the filing fee was changed from \$64 to \$60 and \$34 to \$30 respectively on Form (a) LIC 446-2 and Form (d) LIC 446-3 based on statutory changes. As indicated in the Text of Modified Regulations, Form (e) LIC 446-5 was amended to add the word “prelicensing” before the words “or continuing” on the Course Attendance Record to correct an incorrect deletion.

The following non-substantive change was not indicated in either the Text of Modified Regulations or the Text of Second Modified Regulations: Four statutory code references were added to the Reference section of the Note.

IDENTIFICATION OF STUDIES AND REPORTS

There are no additional specific studies relied upon in the adoption of these amendments. In adopting the proposed regulations the Department of Insurance did not rely upon any technical, theoretical, and/or empirical study, report or similar document. Rather, it relied upon the extensive experience of the Department's Licensing Services Division (Producer License Bureau, Education Section), its Legal Division, its Curriculum Board, and the Online Prelicensing Subcommittee, which consisted of Curriculum Board members and interested parties.

UPDATE OF MATERIAL RELIED UPON

No material other than public hearing comments and comments received from the comment periods for the Text of Modified Regulations and Text of Second Modified Regulation, the transcript of the public hearing, the Final Statement of Reasons, Text of the Adopted Regulations, and all materials previously indicated and submitted

has been added to the rulemaking file since the time the rulemaking record was opened, and no additional material has been relied upon.

MANDATE UPON LOCAL AGENCIES AND SCHOOL DISTRICTS

The Department has determined that the proposed regulations will not impose a mandate upon local agencies or school districts.

ALTERNATIVES

The Commissioner has determined that there are no alternative that would be more effective, or as effective and less burdensome to affected persons, than the proposed regulations. In support of this determination is the fact that no such alternatives were suggested during the public comment period despite the express invitation therefore that was extended in the Notice of Proposed Action.

SUMMARY AND RESPONSE TO PUBLIC COMMENTS

Key: PH=Hearing; 1M=Text of Modified Regulations; 2M=Text of Second Modified Regulations

<i>CIC Section</i>	<i>Commenter& Summary of Comments</i>	<i>CDI Response</i>	<i>Key</i>
§2186.1	Roy Little, President & CEO, Insurance Educational Association Suggests that the non-contact portion of the course does not have to be completed before the contact portion.	Reject. This section is not part of the 15-Day Modifications.	1M
§§2187.1, 2187.3, 2187.4, 2187.5, 2187.6, 2187.7	Roy Little; Cindy Davidson, Vice President, Insurance Products, Kaplan Professional General comment that Educational Objectives for all license types should conform to the updated Educational Objectives effective 1/1/09.	Accept. All Educational Objectives amended to conform to updates effective 1/1/09.	PH
§2187.3	Gregory Parini, VP, External Relations CSE Insurance Group FAIR Plan should not be removed from the outline.	Reject. It was not removed-it was just placed in another area.	2M
§2187.4(a)(IV)	Roy Little Correct typo in the percent for homeowners Evaluation for Personal Lines curriculum outline. It should be 2% NOT 12%.	Accept. Typo corrected as recommended.	1M
§2187.3(a)(III)(A) §2187.4(a)(III)(A)	Greg Parini Change wording in the Fire and Casualty and Personal Lines curriculum outlines under “Dwelling” to more accurately reflect coverage offered.	Accept. Wording changed as proposed.	1M
§2187.6(a)	Douglas Heller, Executive Director, Consumer Watchdog Ensure that the Low Cost Auto program and the requirements of Insurance Code section 11629.745 are a part of the Limited Lines Automobile Insurance Agent curriculum.	Accept. The proposed regulations provide a basic “Table of Contents” for the curriculum for each type of license. “Low-cost auto insurance” is a part of the proposed regulations in section 2187.6(a)(III)(C)	PH

§2188.2 (i)	<p>Lesa Pastor Adopt a 50-minute credit hour for online prelicensing courses making the total number of hours of “learning” the same for online courses as for classroom courses. Classroom courses provide 50 minutes of learning and 10 minutes of break each hour. Requiring an additional 6.5 hours of “learning” for online students is unfair and has no reasonable justification.</p> <p>Roy Little; Cindy Davidson Number of minutes per day should remain at 480 not 400.</p>	<p>Reject. The sixty (60) minute hour requirement for online courses was established with the understanding that students completing a non-contact course may start and stop the course at any time for breaks whereas a classroom student must stay in the classroom until he or she is excused from class for scheduled breaks.</p> <p>Accept. While this was not a part of the 15-day modifications, this change was accepted.</p>	<p>PH</p> <p>1M</p>
§2188.2 (j)	<p>Lesa Pastor We propose 3,500 words per credit hour. We will need to add content to our California courses in order to remain compliant if this change is not accepted.</p>	<p>Reject. Although 3,500 words per credit hour are used in other states, CDI has used 4,600 words per credit hour for consistency with other prelicensing and continuing education requirements.</p>	PH
§2188.2(k)	<p>Patricia L. Carlson, C.E.O. Insurance Skills Center, Inc. Business Management Courses should be listed in this section as qualifying for approval.</p>	<p>Reject. Business Management Courses are defined in IC section 1749.1(c) and do not need to be repeated in these regulations.</p>	2M
§2188.2.5 (a)	<p>Cindy Davidson General comment: add “chapter” to “section” throughout the regulations since some courses have “chapters” and some are organized by “section”.</p>	<p>Accept. “chapter” added to “section” throughout.</p>	PH
§2188.2.5 (a)(3)(B)	<p>Roy Little Replace the authentication requirements with password protected login/logout/re-login after 20 minutes of inactivity.</p> <p>Cindee Chavis, Primerica Life Ins. Co. Requiring questions for student authentication is burdensome. Periodic re-keying of student password should be sufficient authentication.</p>	<p>Reject. Student identity authentication is a critical part of online education. The requirements as proposed accomplish this goal.</p> <p>Reject. Questions are not required for student authentication; other means may be used.</p>	<p>PH</p> <p>1M</p>
§2188.2.5 (a)(3)(C)	<p>Lesa Pastor Delete this provision. It will not necessarily translate into a better learning experience for our students. If students can only spend 10-15% of their time taking exams, the majority of time must be spent reading the text regardless of how the text is presented. This mechanism forces students to progress through the text, even if they have no intention of paying attention to it. We feel that this is enough of a safeguard and that restricting the way that providers offer text will not necessarily increase student compliance. We</p>	<p>Reject. This safeguard prevents students from skipping course content materials before answering the review questions. It ensures that students are exposed to learning materials that will allow them to pass the review questions. It also allows students and education providers to tract the student’s time to ensure the student meets the legal time requirement for each license type. The current</p>	PH

	also would have to make significant changes to our course delivery system if these changes are implemented.	system allows students to scroll through the text of an entire chapter after the student completes the review and the review questions.	
§2188.2.5 (a)(5)(A)	Lesa Pastor Amend this subsection to allow students to complete an end-of-chapter course quiz. The student must pass the quiz before he/she can proceed to the next chapter. No other state requires quizzes every 15 minutes, with the exception of Texas CE.	Accept. “chapter” added to “section” throughout which clarifies that quizzes can be given at the end of each chapter.	PH
§2188.2.5 (a)(5)(E)	Roy Little Delete the 24 hour response time and replace it with “within one business day” and stipulate that “questions asked during weekends must be answered by the following Monday”.	Accept. Amend as proposed.	PH
§2188.2.5 (b)	Lesa Pastor <ul style="list-style-type: none"> • Add “chapter” to “section”. • Add “Review” to ‘Question Total’ 	Accept. “chapter” added to “section” throughout. Accept. Amend as proposed.	PH PH
§2188.2.5 (b)(2)-(6)	Roy Little; Cindy Davidson General comment that Educational Objectives for all license types should conform to the updated Educational Objectives effective 1/1/09.	Accept. All Educational Objectives amended to conform to updates effective 1/1/09.	PH
§2188.3	Roy Little Remove the requirement to submit all material in hard copy for course renewal for self-directed courses.	Accept.	1M
§2188.4 (a)	Cindy Davidson Add “subject matter expert” as an alternative to “instructor” throughout the regulations including the title. Non-contact courses, especially on-line courses, do not technically have an “instructor”. They have a person who is a “subject-matter expert” who is available to answer questions.	Accept. “subject-matter expert” is added to the word “instructor” in the heading of this section and throughout the regulations as appropriate. It is also added to §2186.1 (j) in the definition of “instructor”.	PH
§2188.4 (b)	Cindy Davidson; Roy Little Amend this section to accept electronic records of online student affidavits.	Accept. Amend as proposed.	PH
§2188.5 (b)	Roy Little; Cindy Davidson; Cindee Chavis Using a single form for collection of all social security numbers will require significant added time for provider and will not improve security for student’s private non-public information. Using the last 4 digits of SSN on attendance records is adequate.	Accept. After further consideration, the Dept. has agreed to accept only the last four digits of the social security number as identification.	1M
§2188.5.5 (a)(3)	Roy Little Change the authentication requirements; replace with password protected login and logout and re-	Reject. Student identity authentication is a critical part of online education. The requirements	PH

	login after 20 minutes of inactivity.	as proposed accomplish this goal.	
§2188.5.5 (a)(4)	Lesa Pastor Amend this subsection to require the Education Provider to maintain the student's signature and/or authenticating information such as birth date rather than the entire affidavit.	Reject. For non-contact courses, the Provider shall maintain the entire affidavit for audit purposes.	PH
§2188.5.5 (b)(1)-(3)	Roy Little; Cindy Davidson Amend subsection (b)(1) to require the "cumulative" amount of time rather than each date and time the online student logs into and exits the online course.	Reject. These subsections are necessary because the information is used for auditing purposes.	PH
	Lesa Pastor <ul style="list-style-type: none"> Delete subsection (b)(2). It will not contribute to the student's quality of education. Delete the requirement to maintain the entire affidavit. Maintaining the signature, date and authenticating information such as birth date is sufficient authentication. 	Reject. See above.	PH
	Roy Little; Cindy Davidson The current log-in/log-out requirements add cost and burden with no benefit.	Reject. The entire affidavit is required for audit purposes as well as meeting the requirements of section 2188.4(b) and (e)	PH
		Accept in part/Reject in part. Subsection (1) is required for auditing purposes to ensure that students meet the legal time requirements for each license type. Subsection (2) is deleted as duplicative of subsection (1). Subsection (3) is renumbered to (2) and remains the same to ensure the integrity of the online educational process.	1M
§2188.8 (a)(1)	Lesa Pastor; Roy Little; Cindy Davidson Amend this subsection to allow "electronic" signatures of the student and instructor/subject matter expert.	Accept. Amend as proposed.	PH
§2188.8(a)	Lesa Pastor Certificates of Completion should be able to be sent electronically by provider regardless of student request.	Accept. Wording clarified to indicate standard practice.	1M
§2188.8(b)(1)	Lesa Pastor Change this requirement.	Reject. This subsection was not part of the 15-Day Modifications.	1M
§2188.50(d) Forms-Course Applications & Renewals LIC446-3	Patricia L. Carlson Permit electronic signature of the Director on form LIC 446-3, Course Applications & Renewals.	Reject. Currently, course applications and renewals shall only be submitted using a paper application (Form LIC 446-3). In the future, this form may be able to be submitted online in which case an electronic signature will be accepted.	2M

<p>§2188.50 (e) Forms-Course Attendance Record LIC446-5</p>	<p>Cindy Davidson Change the requirement for a complete social security number to a partial social security number to ensure privacy of the individual student's personal identifying information.</p> <p>Patricia L. Carlson If only one form is to be used for Pre-licensing and Continuing education, the SS# (last 4) should only be required for Pre-licensing.</p>	<p>Reject. The full social security number (SSN) is necessary to identify license applicants. The SSN avoids the inherent problem of name duplications. These regulations were amended based on public comments to allow students to complete a single piece of paper with complete SSN and give that sheet to the Provider (see section 2188.5(b).</p> <p>Reject. Both the Dept. and education provider need a unique identifier. If a licensee completes a continuing education course and he/she does not recall his/her license number, the next best identifier is the last four digits of the SSN (particularly for individuals with similar names).</p>	<p>PH</p> <p>2M</p>
<p>General Comment on Proposed Regulations Title 10, Ch. 5, Article 6.5</p>	<p>Ted M. Angelo, Legislative and Regulatory Counsel, ACLHIC & John Mangan, Regional Vice President, ACLI We have reviewed how the proposed regulation implements the operative statutes that changed the processes governing online prelicensing options (AB 2387 from 2006), and the new life-only license designation (AB 720 from 2007). Since the statutory changes took effect, we have worked to provide the Department with useful information for changes it has issued in updated bulletins and memorandums. To date, our members have not relayed any significant concerns with this proposed regulation.</p>	<p>Accept.</p>	<p>PH</p>